RAIN INDUSTRIES LIMITED

Earnings Presentation – Q4 CY23

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RAIN is a leading vertically integrated global producer of a diversified portfolio of products that are essential raw materials for staples of everyday life. We operate in three business segments: Carbon, Cement and Advanced Materials. Our Carbon business segment converts the by-products of oil refining and steel production into high-value carbon-based products that are critical raw materials for the aluminium, graphite, carbon black, wood preservation, titanium dioxide, refractory and several other global industries. Our Cement segment consists of two integrated cement plants that operate in the South Indian market, producing two primary grades of cement: ordinary portland cement ("OPC") and portland pozzolana cement ("PPC"). Our Advanced Materials business segment extends the value chain of our carbon processing through the downstream refining of a portion of this output into high-value chemical products that are critical raw materials for the specialty chemicals, coatings, construction, petroleum and several other global industries. We have longstanding relationships with most of our major customers, including several of the largest companies in the global aluminium, graphite and specialty chemicals industries, and with most of our major raw material suppliers, including several of the world's largest oil refiners and steel producers. Our scale and process sophistication provides us the flexibility to capitalize on market opportunities by selecting from a wide range of raw materials, adjusting the composition of our product mix and producing products that meet exacting customer specifications, including several specialty products. Our production facility locations and integrated global logistics network also strategically position us to capitalize on market opportunities by addressing raw material supply and product demand on a global basis in both established and emerging markets.

Forward-Looking Statement

This presentation contains forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including our statements addressing our expectations for segment volumes and earnings, the factors we expect to impact earnings in each segment, demand for our products, our expected uses of cash, and our expected tax rate, are forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict. If known or unknown risks materialize, or should underlying assumptions prove inaccurate, our actual results could differ materially from past results and from those expressed in the forward-looking statement. Important factors that could cause our results to differ materially from those expressed in the forward-looking statements include, but are not limited to lower than expected demand for our products; the loss of one or more of our important customers; our failure to develop new products or to keep pace with technological developments; patent rights of others; the timely commercialization of products under development (which may be disrupted or delayed by technical difficulties, market acceptance, competitors' new products, as well as difficulties in moving from the experimental stage to the production stage); changes in raw material costs; demand for our customers' products; competitors' reactions to market conditions; delays in the successful integration of structural changes, including acquisitions or joint ventures; the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates, of countries where we do business; and severe weather events that cause business interruptions, including plant and power outages or disruptions in supplier or customer operations.

Key Highlights – Q4 2023

- Revenue from Operations was ₹41.01 billion
- Adjusted EBITDA was ₹2.78 billion
- Due to increase in Weighted Average Cost of Capital (WACC), the Company has taken Non-cash Goodwill Impairment Charge of ₹7.32 billion
- Carbon segment performance impacted due to deferred shipments and margin contractions due to delays in re-setting of raw-material costs in line with the fall in finished goods prices
- Advanced Materials segment performance is lower due to seasonal impacts and under-absorption of costs driven by scheduled maintenance activities.
- Cement segment performance improved due to volume increase and reduced energy costs

Achieved TRIR of 0.24 for CY 2023 for Carbon and Advanced Material Plants

Key Highlights – CY 2023

Industry Head-winds impacting revenues and margins

- Revenue from Operations was ₹ 181.42 billion for the year
- Adjusted EBITDA was ₹ 20.14 billion for the year

Completed Refinancing, pushing out maturities to 2028 and 2029

- Repayment of long-term debt of US$ 81 million and short-term debt of US$ 50 million
- Working capital release of US$ 199 million during the year 2023
- Capital expenditure of US$ 72 million for year 2023
- Liquidity of US$ 505 million – including cash balance of US$ 268 million

Update on Pet Coke Restrictions in India

Allocation of Raw / Green Petroleum Coke ("RPC / GPC") for the period April 2023 to March 2024:

- Directorate General of Foreign Trade ("DGFT") allocated a total GPC of 0.59 million Tons for FY 2023-24 including the second allocation in December 2023 and the final allocation (out of Surrendered Volumes by other Calciners) in February 2024.

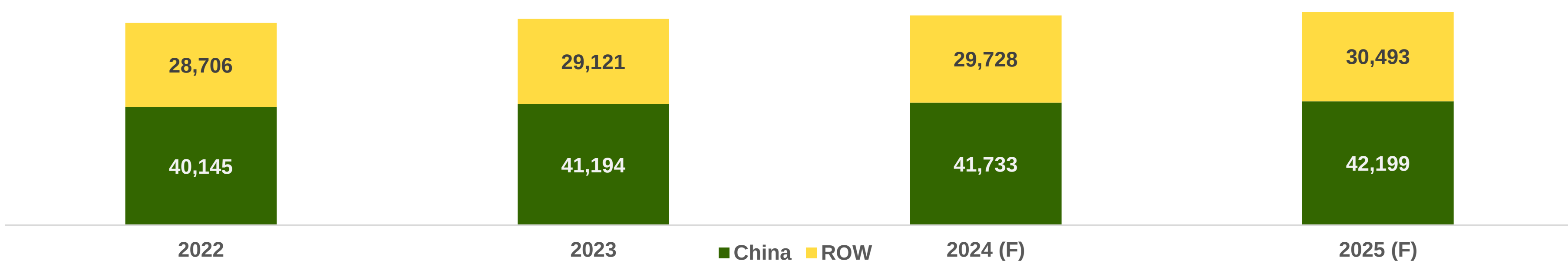
Commission for Air Quality Management ("CAQM") Order:

- On 15 February 2024, in compliance with the order of the Hon'ble Supreme Court of India, Hon'ble CAQM has issued order increasing the annual limit of GPC imports by the Domestic Tariff Area ("DTA") Calciners from 1.4 million Tons to 1.9 million Tons from FY 2024-25 onwards, considering the incremental requirement of GPC and CPC in India.
- Further, CAQM approved the Company's New CPC Vertical Shaft Calciner Plant in Special Economic Zone ("SEZ Unit") to import GPC and CPC as per the Consent to Operate (CFO / CTO) issued by State Pollution Control Board, less any quantities procured in DTA.
- Due to the relief granted by CAQM, there will be an increase in the overall capacity utilization of Company's CPC Plants.

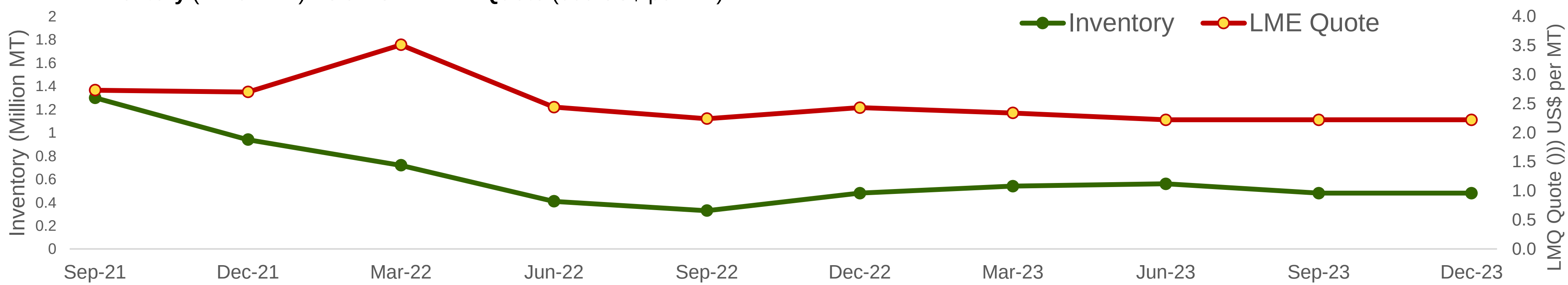
Aluminium Market Update

Primary Aluminium Production Growth in Thousand Tonnes

Not to Scale



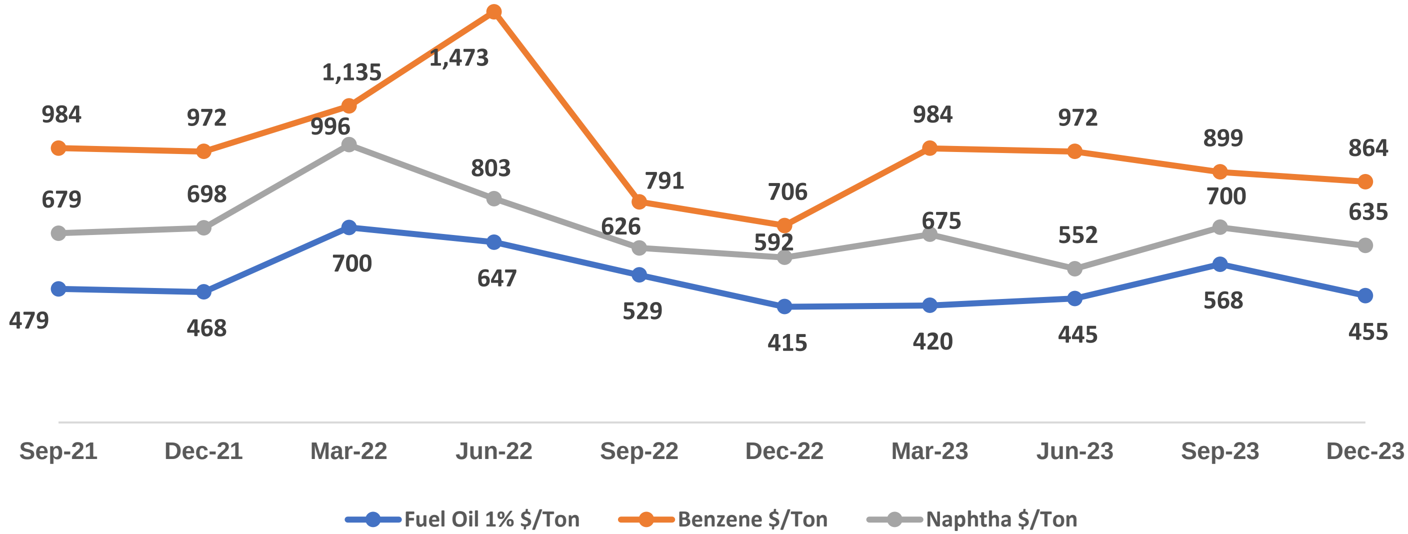
LME AL Inventory (Million MT) vis-à-vis **LME AL Quote** (000 US$ per MT)



- World Primary Aluminium production reached a new all-time high of 71 Million Tons per annum, up 3.9% YoY
- Smelting restarts boosts production increased by 5.8% YoY (excluding China) despite shut-downs in Europe and US
- Aluminum 3-month LME seller's price trading US$2,150 – US$2,200 per Ton

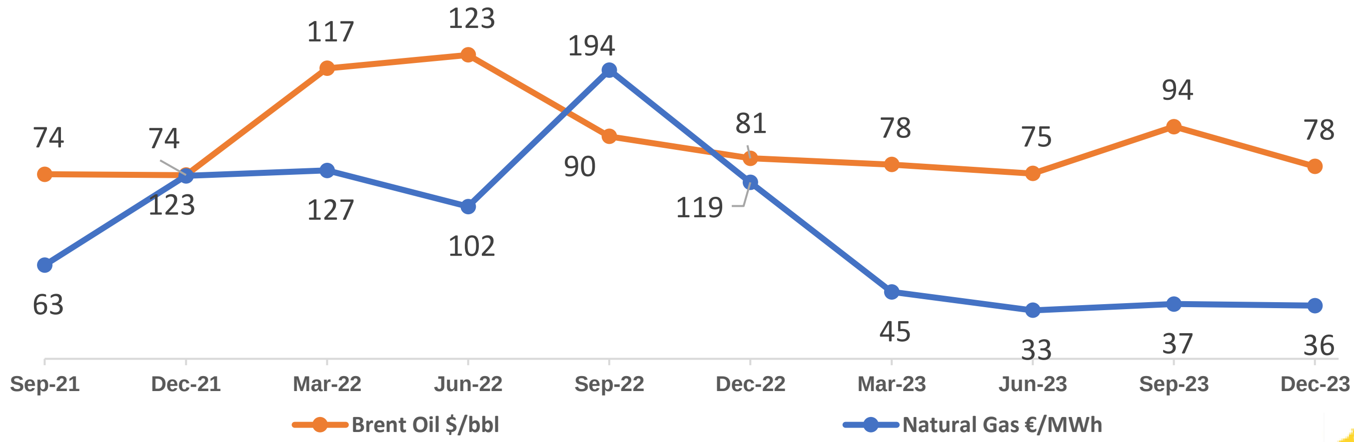
Price Trend of Key Products and European Natural Gas

Not to Scale

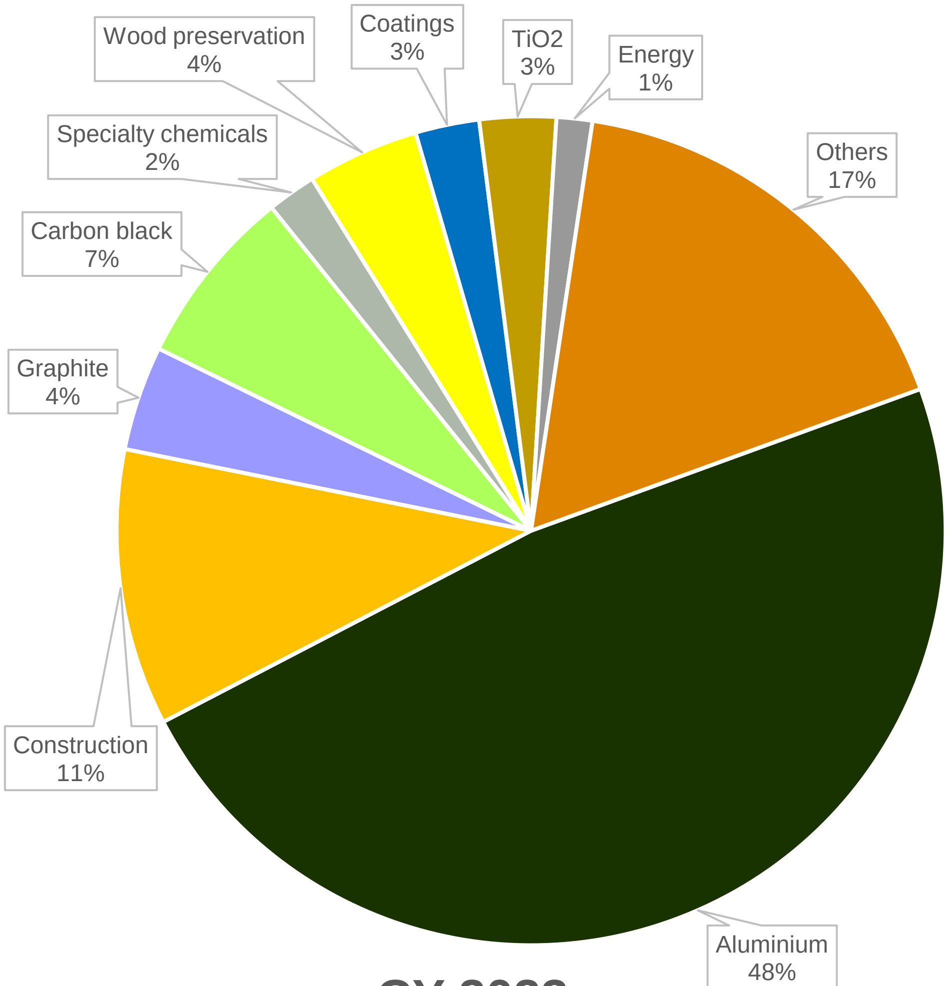


Fall in prices negatively impacting finished goods prices and margins

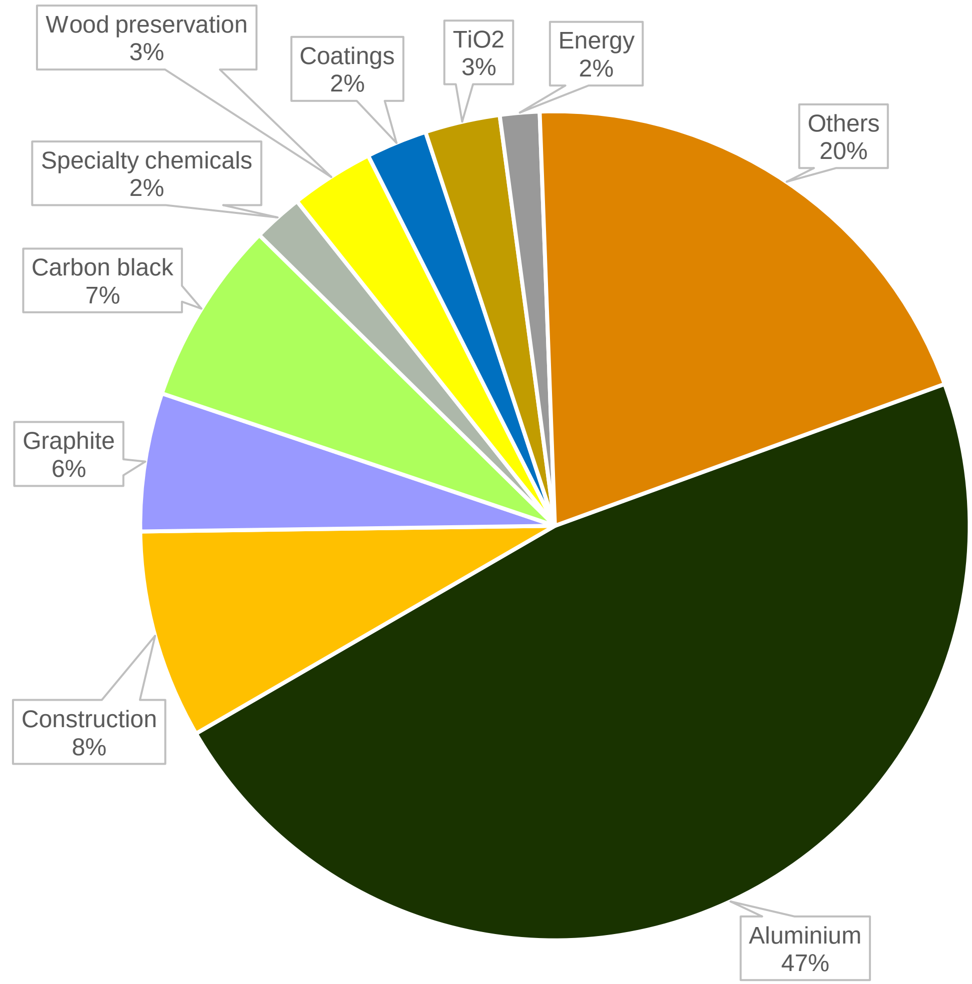
Gradual reduction in Gas prices positively impacting operating costs



Revenue by End Industry



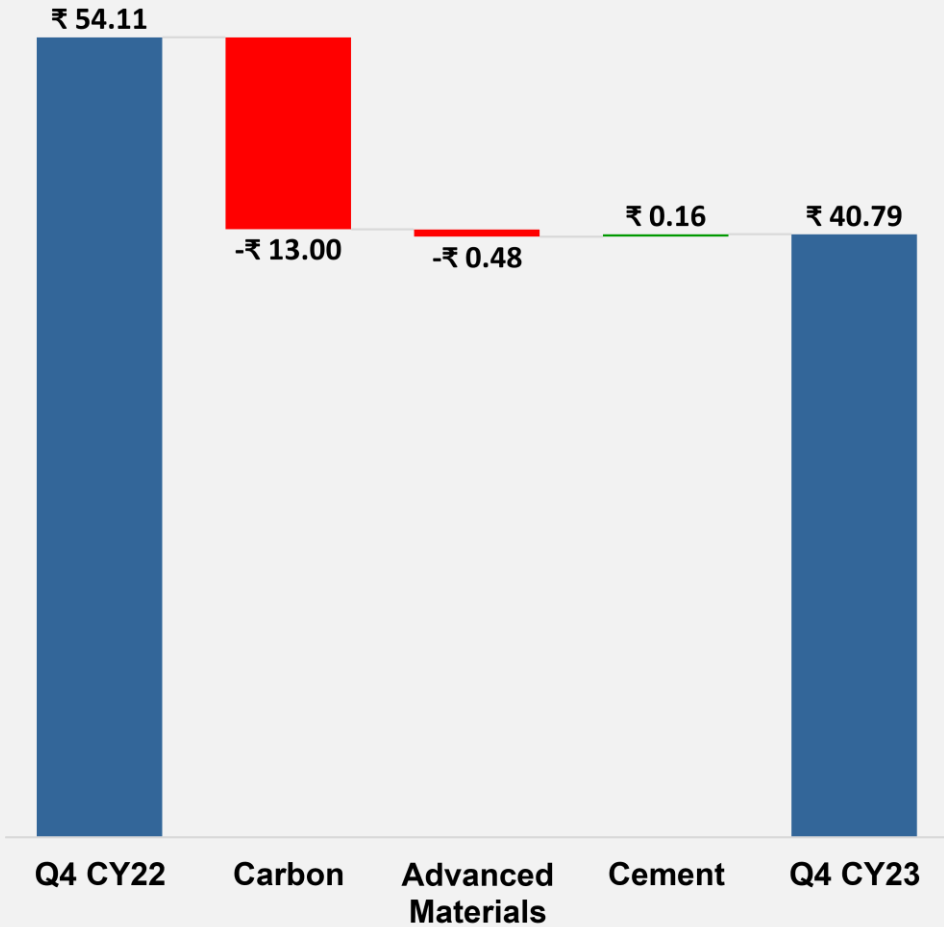
CY 2023



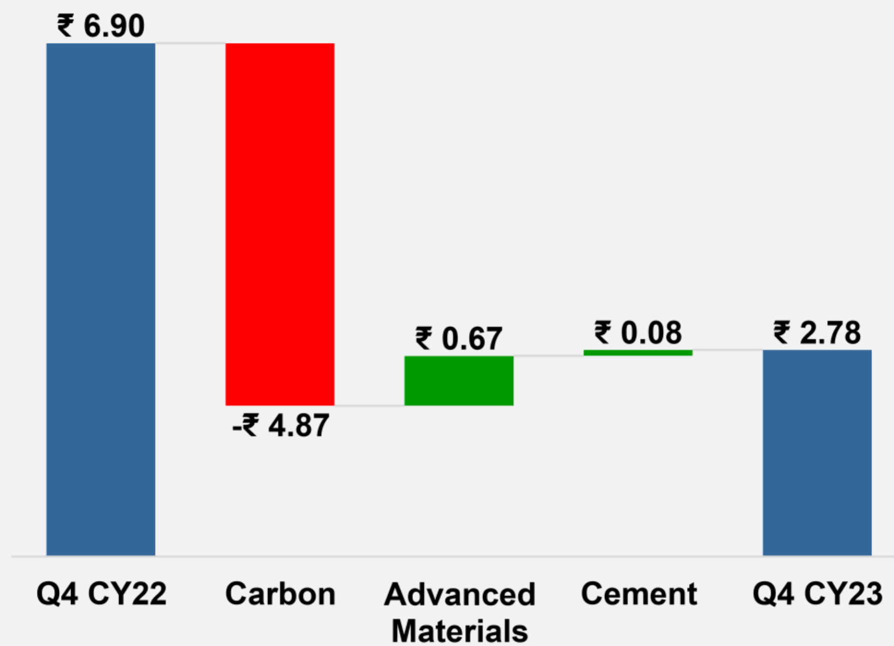
CY 2022

Consolidated Revenue and EBITDA Q4-2023

(₹ in Billions)



Revenue (excluding other operating income)



Adjusted EBITDA

Note: Charts not to scale

Non-cash Impairment Charge – December 2023

- Geopolitical tensions and macroeconomic factors, such as rising interest rates and energy cost fluctuations, have impacted the economic environment for all our Five Cash Generating Units (CGUs).

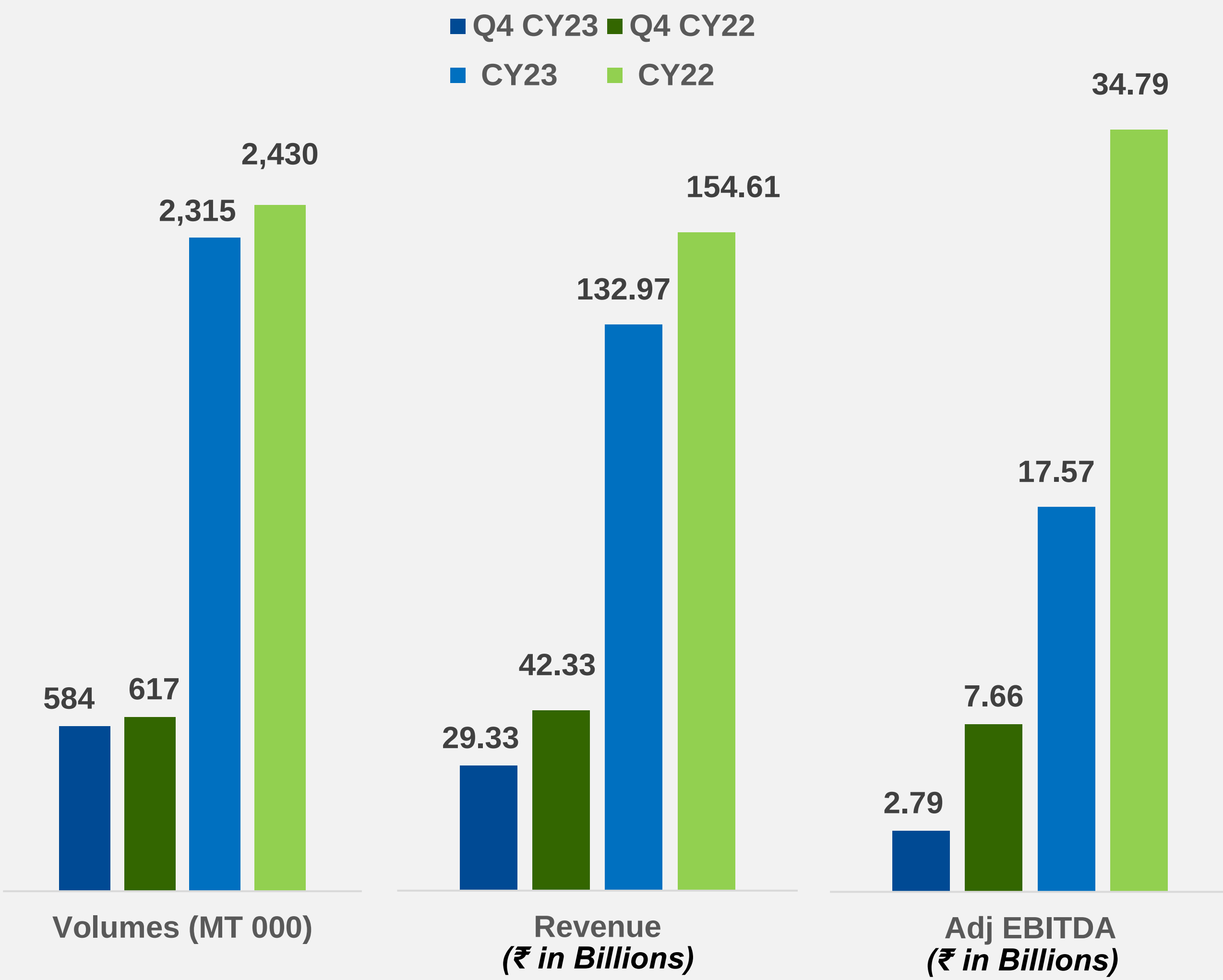
- As a result of these factors, the recoverable values of two CGUs are now lower than their carrying values, mainly due to a significant increase in the cost of capital and operating expenses during the current year.

- Taking into account fair value less disposal costs and value-in-use estimates, the Group recorded a non-cash impairment charge of INR 5,606 million in Carbon – Calcination and INR 1,712 million in Carbon – Distillation towards Goodwill in the Consolidated Statement of Profit and Loss.

- The recent relaxation of import restrictions on petroleum coke by the Hon’ble Commission for Air Quality Management (“CAQM”), New Delhi was also considered in determining the impairment charge.

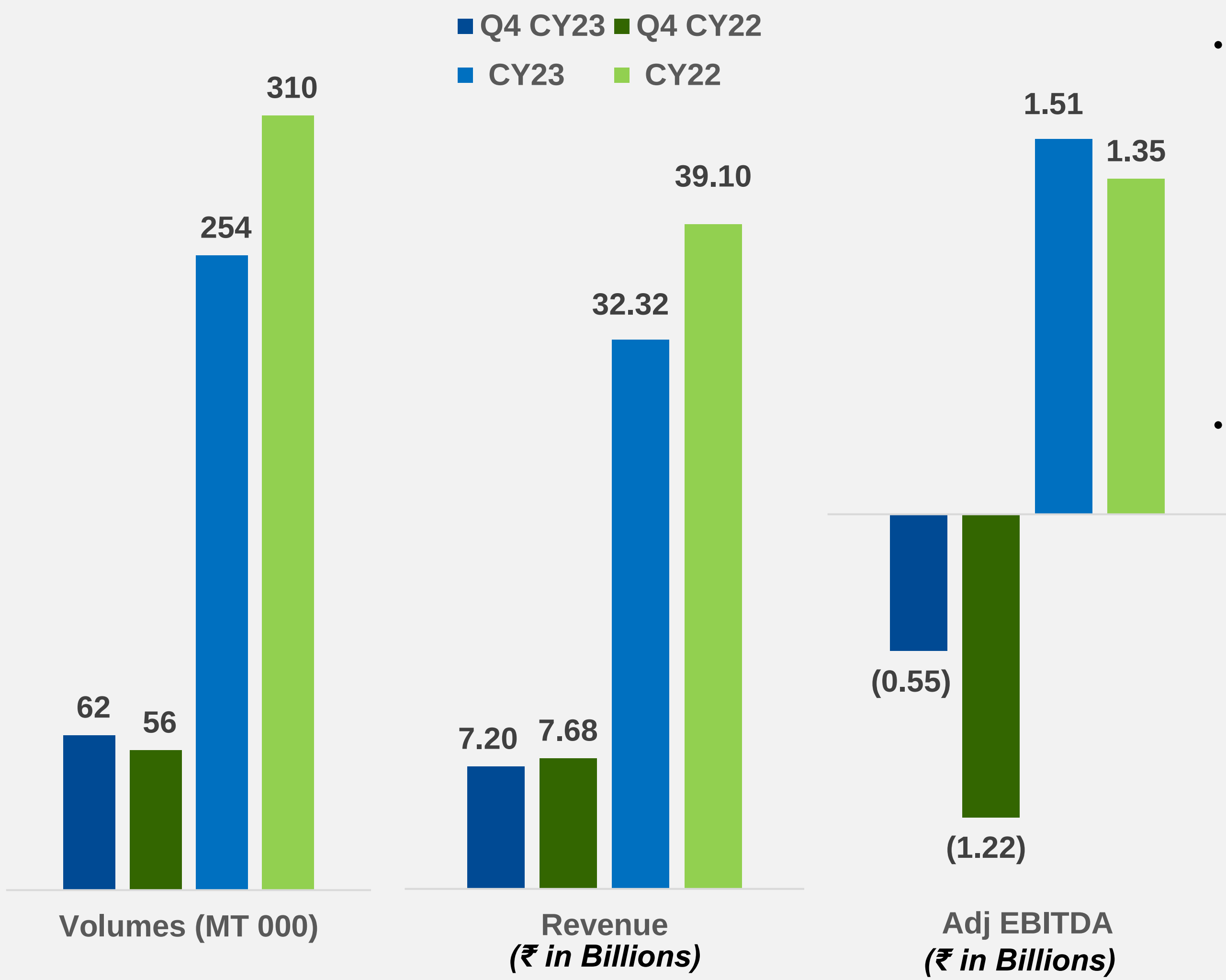
- There is potential for increased capacity utilization and higher sales volumes that could lead to improved CGU performance of Carbon-Calcination, however, the Group will need additional time to implement the revised business strategy, subject to normal implementation risks.

Carbon: Revenue and EBITDA



- Revenue in Q4 CY23 decrease driven by
  - Lower prices across all key products due to fall in market quotations across all regions
  - Lower volumes due to lower demand and delayed shipments
- Margins lower compared to Q4 CY22 due to lag in cost resets of raw-materials in line with price resets of finished goods.

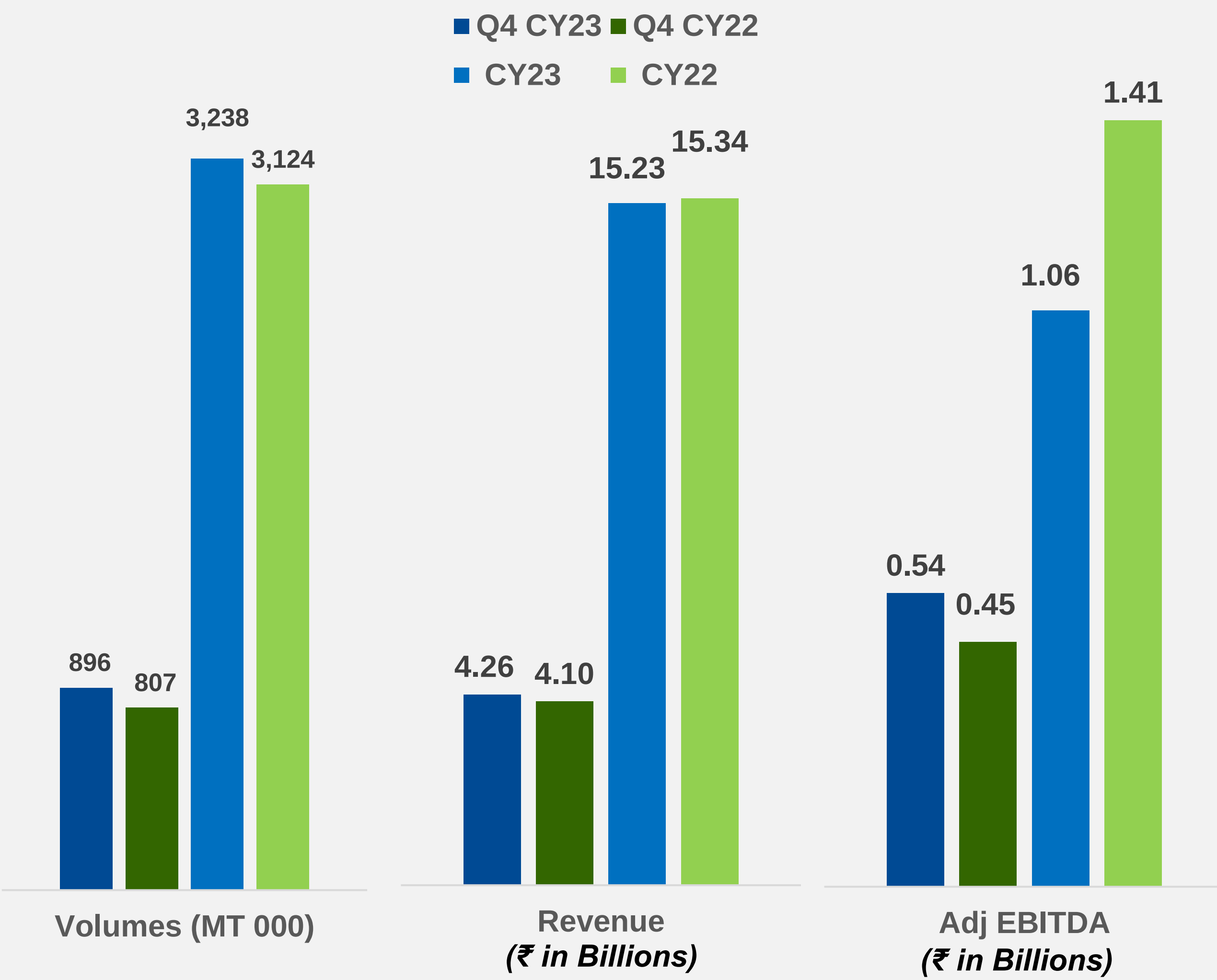
Advanced Materials: Revenue and EBITDA



- Revenue in Q4 CY23 decrease driven by
  - Lower average prices driven by fall in commodity prices and change in product mix
  - Offset by increase in volumes driven by timing of maintenance shutdowns

- Margins improved due to
  - Lower natural gas prices
  - Increased production in BTX and PA products and ramp-up of HHCR facility

Cement: Revenue and EBITDA



- Revenue in Q4 CY23 increase driven by
  - Increase in volumes
  - Offset by decrease in realisations
- Margins improved due to
  - Higher volumes
  - Lower operating costs

Debt Summary

US$ in Millions	Dec 2023	Dec 2022
USD-denominated Senior Secured Notes (due in April 2025)	50	530
USD-denominated Senior Secured Notes (due in September 2029)	450	-
Euro-denominated Senior Secured Term Loan (due by October 2028) *	380	415
Senior Bank Debt and Other debt	22	,23
Liability towards Right-of-use of Assets	63	61
Gross Term Debt	**965**	**1,029**
Add: Working Capital Debt	102	152
Less: Deferred Finance Cost	21	6
Total Debt	**1,046**	**1,175**
Less: Cash and Cash Equivalents	268	217
Net Debt	**778**	**958**
LTM Adjusted EBITDA	244	478

***** Debt of €343.5 million converted at USD/EURO rates of 1.11 as at Dec. 31, 2023 and Debt of €390 million (before extending maturity) converted at USD/EURO rates of 1.06 as at Dec. 31, 2022

Cash Inflows / Outflows during CY 2023

- Operating cash flows includes net working capital inflows of ₹16.52m billion (compared to outflows of ₹20.45 billion in CY 2022) due to general decline in prices.
- Capital expenditure of ₹5.96 billion (US$72 million) during the year.
- Net cash used in financing activities of ₹21.15 billion during the year includes outflow of ₹12.70 billion towards repayment of long-term debt and short-term borrowings and ₹8.45 billion towards interest and dividend.

(₹ in millions)

Particulars	CY 2023	CY 2022
Operating Activities	30,635	10,359
Investing Activities	(6,960)	(6,630)
Financing Activities	(21,147)	(3,957)

Business Outlook

- Margins are expected to normalize; the current impact is temporary.
- Structural cost improvements achieved in 2023 will fully contribute to results in 2024.
- The recent CAQM order is anticipated to increase plant utilization in upcoming quarters.
- Cash invested during the upcycle, returns during downturns, ensuring positive operational cash flows despite weaker earnings.
- Gross debt has decreased by US$130 million compared to the previous year.
- Our sustainable business model focuses on upcycling and carbon capture from steel and oil industries into sustainable products.
- Our portfolio aligns with societal trends towards cleaner, greener materials, including green steel, battery materials, energy efficiency, and hygiene products.
- The Company has a robust R&D pipeline, including sustainable products and processes

Thank You

Appendix

Summary of Consolidated Income Statement

₹ in Millions

Particulars	Q4 2023	Q4 2022	CY 2023	CY 2022
Net Revenue	40,788	54,112	180,518	209,063
Other Operating Income	218	456	897	1,048
Revenue from Operations	**41,006**	**54,568**	**181,415**	**210,111**
Reported EBITDA	**1,678**	**6,629**	**17,374**	**36,381**
Adjusted EBITDA	**2,779**	**6,895**	**20,137**	**37,545**
Adjusted EBITDA Margin	6.8%	*12.6%*	*11.1%*	*17.9%*
Profit / (Loss) Before Tax	**(9,794)**	**3,355**	**(4,824)**	**23,273**
Tax Expense, net	995	2,095	3,138	7,503
Non-controlling Interest	399	365	1,417	1,383
Reported Profit / (Loss) After Tax	**(11,188)**	**895**	**(9,379)**	**14,387**
Adjusted Profit / (Loss) After Tax	**(1,960)**	**2,373**	**1,526**	**16,980**
Adjusted Earnings / (Loss) Per Share (in ₹)*	(5.83)	7.06	4.54	50.49

**Quarterly Earnings Per Share is not annualized.*

Reconciliation of EBITDA and PAT

₹ in Millions

Particulars	Q4-CY23		CY-2023	
	EBITDA	PAT	EBITDA	PAT
A. Reported	**1,678**	**(11,188)**	**17,374**	**(9,379)**
B. Adjustments/Exceptional items:				
• Inventory adjustments	183	183	2,514	2,514
• Non-cash impairment charge	-	7,506	-	7,506
• Expenses towards non-recurring items	410	410	616	616
• Insurance claims received related to prior periods	-	-	(247)	(247)
• Foreign exchange loss/(gain) on inter-company debt note	508	508	(120)	(120)
• Charge-off of deferred finance cost	-	-	-	319
• Tax impact on above adjustments	-	(262)	-	(683)
• Non-recurring tax adjustments	-	883	-	1,000
C. Adjusted (A + B)	**2,779**	**(1,960)**	**20,137**	**1,526**

RAIN – Key Business Strengths

- Three business segments (Carbon, Advanced Materials and Cement)
- Global presence with 2.4 million tonnes p.a. calcination capacity, 1.0 million tonnes p.a. CPC blending capacity, 1.3 million tonnes p.a. coal tar distillation capacity, 0.6 million tonnes p.a. advanced materials capacity and 4.0 million tonnes p.a. cement capacity
- Transforming by-products of oil and steel industries into high-value carbon-based materials essential to numerous manufacturing applications and end products
- Long-standing relationships with raw material suppliers and end customers
- Leading R&D function drives continuous innovation
- Diversified geographical footprint with advantageous freight and logistics network
- Facilities with overall 187 MW co-generated steam and power capacity and renewable solar power
- Experienced international management team
- Strategy shift from low-margin products to favourable product mix

RAIN Group continues to grow on its core competencies.